

R E M A R K S**A. INTRODUCTION**

Claims 1 and 81-101 are pending and rejected.

Upon entry of this Amendment:

- Claims 1 and 81-101 will be pending
- Claim 1 will be amended
- Claims 1, 81 and 82 will be the only independent claims

B. SECTION 101 REJECTIONS

Claims 1, 88 and 95-101 stand rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter. Although Applicants do not necessarily agree with the Section 101 rejections, Claim 1 (from which Claims 88 and 95-101 depend) has been amended to recite ties to particular apparatus supported by the Specification. Applicants respectfully submit that no new matter has been added, and request the Examiner's reconsideration and withdrawal of the Section 101 rejections of Claims 1, 88 and 95-101.

C. SECTION 112(1) REJECTIONS

Claims 1 and 81-101 stand rejected under 35 U.S.C. 112(1) for failing to comply with the enablement requirement. Applicants respectfully disagree. The noted "limitations of specific service and/or lack of service requirement" are described sufficiently in the Specification so as to convey both that Applicants were in possession of the claimed subject matter at the time of filing and so as to enable one of skill in the art to make and/or use the invention without undue experimentation.

The present Application claims priority to and incorporates by reference U.S. Application No. 09/219,267. As depicted in FIG. 12 of that application, a customer about to purchase a book (e.g., War and Peace) via a web page may select an option to "Get this purchase for free!" and be presented with an offer to sign up for a credit card account. In that example, the credit card account is not required by the book, or required to purchase the book. Also, the credit card account is not an item the customer indicated he was ready to purchase (e.g., at the time the customer selected the clickable button 1112 to receive the subsidy offer). Accordingly, the Specification reasonably conveys in which the service offered is not required for use of the at least one item to be purchased, and in which the service is not one of the at least one item to be purchased, as generally recited in

Claim 1. FIG. 12 of the present application is a schematic illustration of a vendor server offering books for sale.

FIG. 8 of the present application depicts several examples of subsidy offers including offers to sign up for various services. The “when effective” 828 field does not require that an item purchased use the corresponding service, or that the corresponding service must be part of the items to be purchased.

Similarly, the Summary of the Invention section describes generally how a customer, in accordance with some embodiments, can place certain items in his virtual shopping cart, and in response receives an offer for a benefit from a subsidizing vendor. The customer may be required to sign up for a service provided by the subsidizing vendor. There is no hint of a limitation that a service agreement must be part of the items in the shopping cart or that the service agreement must be required by any of the items. Accordingly, one skilled in the relevant art would recognize that the inventors were in possession of embodiments in which a service offered in a subsidy offer is not required for use of the at least one item to be purchased, and in which the service offered is not one of the at least one item to be purchased.

The Examiner has not articulated any explanation as to what particular aspect of any of the claims would require one of ordinary skill in the art undue experimentation to make or use. The examples in the Specification and the priority applications provide sufficient clarity for enabling a skilled artisan to practice the inventions disclosed therein.

For at least the above reasons, Applicants respectfully traverse the rejections for lack of written description and request the Examiner’s reconsideration and withdrawal of the Section 112(1) rejections of Claims 1 and 81-101.

D. SECTION 103(A) REJECTIONS

Claims 1 and 81-101 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Katz in view of Sloane (U.S. Patent No. 5,918,211), Donlon or Discount Store News and further in view of Schwanhauser “A maze of plastic consumers try to make their way through the confusing state of credit cards” or Edwards “Credit card issuers see some growth”.

Applicants respectfully traverse the Examiner’s Section 103(a) rejections.

Applicants respectfully submit that the Office Action does not appear to address the particular limitations that were the source of the Section 112(1) rejections for lack of enablement. The Office Action does not refer to the specific language. Accordingly, to the extent that the following particular limitations on

the scope of the claims have not been addressed, no prima facie case of obviousness can have been established:

wherein the offer for the subsidy from the second vendor requires commitment to a service agreement but does not require the customer to commit to a service agreement for any item of the purchase from the first vendor in order to receive the reduction in price relative to the total price of the purchase from the first vendor

None of the cited references, alone or in combination, teaches or suggests the feature cited above, generally recited in all of the independent claims (Claims 1, 81 and 82). The Examiner does not assert otherwise. For at least this reason, Applicants request withdrawal of all of the Section 103(a) rejections.

The Office Action states that Sloane, Donlon and Discount Store News teach “that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (Sloane: col 8, lines 13-49 and Figs 1, 8a-c; Donlon: abstract or Discount Store News: abstract and page 1, parag. 3).”

Applicants respectfully disagree. The Sloane, Donlon and Discount Store News references are devoid of a hint of any motivation to provide for a discount off a first product purchased from a first vendor in exchange for accepting an offer from a second vendor to commit to a service agreement with the second vendor. Nothing in either Sloane, Discount Store News or Donlon suggests a commitment to a service agreement offered by a second vendor. In Discount Store News, for example, the “cross-selling” is with respect only to prepackaged combinations of store-shelf products to be purchased only from one vendor. In Donlon, there is no requirement of a service agreement in order to receive a discount of a particular purchase, nor is there any hint of applying the “coupon” to the cable bill with which it is provided. Sloane discusses how a discount may be offered for a second product competing with or complementary to a first product, but there is no hint of any obligation to purchase the second product in order to, for example, receive a discount on the first product. Accordingly, contrary to what is asserted in the Office Action, neither Sloane, Donlon nor Discount Store News teach using a cross-marketing approach to sell a product of a first vendor at a discount based on a subsidy from a second vendor.

The Office Action also states that Schwanhauser and Edwards teach the features of providing a subsidy (e.g., discounts, lower rates) for a purchase (e.g.,

computer, car magazine) via a service agreement (credit card) with a second merchant (e.g. MasterCard, Visa).

Applicants respectfully disagree. Edwards does not teach that MasterCard and Visa are “second merchants” who provide subsidy offers. Edwards discusses examples of co-branded credit cards. A GM credit card offered credits for the purchase of a big ticket item. According to the article, “GM provides the rebates on new cars”—not MasterCard or Visa. Accordingly, the purchase of an item (i.e. a GM car) from a first vendor (i.e. GM) is subsidized by the first vendor (i.e. GM). Edwards also explains how discounts may be available using the GM card for hotels, service stations and long-distance calls. Edwards is silent as to who provides these discounts; it does not teach that MasterCard and Visa provide such discounts. The discussion of the Citicorp co-branded cards are similar, and it may be inferred, based on the discussion of the GM card and without any evidence to the contrary, that Ford and Apple Computer provide the discounts on cars and computers, respectively. BankAmerica promoted cards by lowering the interest rate for new customers on its cards; again, here the discounted rate is being provided by the same vendor (i.e. BankAmerica), not a “second merchant,” and not “MasterCard and Visa.” The banks and companies discussed in Schwanhauser, according to the article) similarly are the entities providing the discounts on their products, or other value (e.g., air miles) not associated with a particular purchase, not some “second merchant,” and not “MasterCard and Visa” (e.g., “General Motors will kick back thousands on a new car, while Nordstrom, Sharper Image and Apple Computer will give you a break on leather shoes, vibrating chairs and personal computers.”). Regardless, as described in the articles, the credit card agreements must be in place prior to taking advantage of any discounts for any particular purchase. Accordingly, those articles teach away from the flexibility of a system that can offer a subsidy on a particular product of interest in exchange for a commitment to a service only after receiving information about the particular product.

The Office Action also states it would have been obvious “because a particular known technique was recognized as part of the ordinary capabilities of a skilled artisan to improve and update known scheme to modern business and technological practices.” Applicants do not agree with this statement. The “technique” (as generally claimed, offering by a second vendor a subsidy on a purchase from a first vendor in exchange for a service agreement that is not required for any item in the purchase) was not known, therefore it would not have been known or deemed desirable to improve the Katz system in the manner suggested by the Examiner to provide for such a feature. That the technique is not hinted at in any of the several provided references rebuts any assertion that the

claimed subject matter was “part of the ordinary capabilities” of one of only ordinary skill in the art.

Regardless, even if such a motivation were established by substantial evidence (which it has not been), no combination of the cited references teaches or suggests allowing for an offer, presented at the time the customer has already indicated an interest in an item, from a second vendor for a reduction in the total price the customer would owe to a first vendor in exchange for committing to a service agreement with the second vendor.

For at least these reasons, Applicants respectfully request the Examiner’s reconsideration and withdrawal of the Section 103(a) rejections of Claims 1 and 81-101.

E. ADDITIONAL COMMENTS

Our silence with respect to the Examiner’s other various assertions not explicitly addressed in this paper, including assertions of what the cited reference(s) teach or suggest, the Examiner’s interpretation of claimed subject matter or the Specification, or the propriety of any asserted combination(s) of teachings, is not to be understood as agreement with the Examiner. As the Examiner has not established an un rebuttable prima facie case for rejecting any of the claims as pending, for at least the reasons stated in this paper, we need not address all of the Examiner’s assertions at this time. Also, the absence of arguments for patentability other than those presented in this paper should not be construed as either a disclaimer of such arguments or as an indication that such arguments are not believed to be meritorious.

F. PETITION FOR EXTENSION OF TIME TO RESPOND & AUTHORIZATION TO CHARGE APPROPRIATE FEES

We understand that a three-month extension of time to respond to the Office Action is necessary.

Please grant a petition for any extension of time required to make this Response timely. Please also charge any other appropriate fees set forth in 37 C.F.R. §§ 1.16 – 1.18 for this paper and for any accompanying papers to:

Charge: \$1110.00

Deposit Account: 50-0271

Order No.: 99-007

Please credit any overpayment to the same account.

G. CONCLUSION

It is submitted that all of the claims are in condition for allowance. The Examiner's consideration is respectfully requested.

If the Examiner has any questions regarding this paper or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.

Respectfully submitted,

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